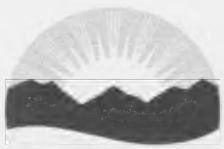
BC Transit

2018/19 – 2020/21
SERVICE PLAN

February 2018



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Board Chair Accountability Statement

The 2018/19 - 2020/21 BC Transit Service Plan was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act*. The plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of the plan, including what has been included in the plan and how it has been reported. The Board is responsible for the validity and reliability of the information included in the plan.

All significant assumptions, policy decisions, events and identified risks, as of January 25, 2018, have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, BC Transit's mandate and goals, and focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of BC Transit's operating environment, forecast conditions, risk assessment and past performance.

Catherine Holt
Board Chair

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Strategic Direction and Alignment with Government Priorities

BC Transit's strategic direction, as defined in its Mandate Letter, is to coordinate the provision of transit services outside of Metro Vancouver in support of government's commitments to make life more affordable, deliver the services that people count on and build a strong, sustainable, innovative economy that works for everyone. In keeping with government's commitment to fully adopt and implement the United Nations Declaration on the Rights of Indigenous Peoples and the calls to action of the Truth and Reconciliation Commission, BC Transit will support the Ministry's continued efforts to respectfully consult and collaborate with First Nations in British Columbia to develop and deliver transportation projects, policies and services. In alignment with provincial goals and objectives, BC Transit will continue to work with local governments to make transit improvements across the province, including improving handyDART service.

BC Transit objectives are aligned with the Government's key priorities:

Government Priorities	BC Transit Aligns with These Priorities By:
Making life more affordable	• Objective 2.2: Cost Efficiency (Corporate)
Delivering the services people count on	• Objective 1.1: Service Effectiveness (Transit System) • Objective 1.2: Planning and Integration (Corporate) • Objective 1.3: Service Delivery (Transit System) • Objective 1.4: Information Effectiveness (Corporate) • Objective 3.1: Accessibility (Transit System) • Objective 3.2: Safety (Corporate) • Objective 3.3: Quality of Service (Corporate)
A strong, sustainable, innovative economy	• Objective 1.5: Brand Awareness (Corporate) • Objective 2.1: Increase Revenue (Corporate) • Objective 3.4: Environmental Impact Accountability (Transit System) • Objective 4.2: Partner Satisfaction (Corporate)

Operating Environment

Transit services are an essential component in the development of affordable, livable and sustainable communities. The demand for transit services continues to increase across the province as communities work to address increasing traffic congestion, serve growing populations and meet climate action goals. Public transit is becoming a more attractive and viable mobility option for many individuals and provides a lower cost transportation alternative to private automobiles, helping to make life more affordable for British Columbians.

The next three years offers an opportunity to build on this positive momentum. In 2018/19, BC Transit will invest in increased service hours in 22 communities, serving new areas, increasing frequency and ensuring resources are optimized to take people where they want to go, and when. BC Transit will also continue to enhance transit services along the Highway 16 corridor in support of the Province's efforts to enable residents of First Nations communities and municipalities to travel safely

along the corridor. This will include planning for new regional services, such as new and expanded transit services for the Sea-to-Sky Transit Corridor, which will enable customers to connect with adjacent communities or larger commercial centres.

BC Transit will work closely with local government partners to monitor transit system performance and use prudent financial management practices to control costs and ensure performance is maintained.

As British Columbia's population continues to age, BC Transit will also work to address ongoing demand for handyDART services. This will include expanding services in some communities, as well as further implementation of the custom registration program, which matches individuals to the most appropriate transit service type based on ability. This will ensure that riders are using the most appropriate form of public transportation for their needs, and allow handyDART to better serve those who rely on the service.

Some transit systems that want to expand services will face constraints associated with infrastructure required to support expansion, such as the capacity of existing operations and maintenance facilities as more buses are added to expanding transit systems. To mitigate this issue, BC Transit will continue facilities planning efforts to make the most effective use of existing facility resources, provide interim accommodation plans and identify infrastructure options to enable BC Transit to meet the goals identified within approved community Transit Future Plans.

High demand in the construction market will put pressure on construction costs for the supporting infrastructure for service expansion. In some cases, facility construction will be phased to balance service requirements with affordability.

In addition, BC Transit communities will benefit from federal and provincial funding through the Public Transit Infrastructure Fund (PTIF) to build supporting infrastructure across the province. This includes construction of new operating and maintenance facilities in the Cowichan Valley, Campbell River and Central Fraser Valley. Completion of these facilities will enable the respective transit systems to expand by providing necessary storage space and maintenance support for buses and personnel.

BC Transit will continue its fleet replacement program to reduce the increasing maintenance costs of an aging fleet and to support the province's greenhouse gas reduction targets by implementing more fuel-efficient technology. Building on the successful deployment of Compressed Natural Gas (CNG) buses in Nanaimo, Kamloops and Whistler, BC Transit will identify additional opportunities to deploy CNG buses and green infrastructure in communities throughout the province. To better understand how environmentally-friendly electric bus technology can potentially work with its fleet, BC Transit will also conduct an electric transit bus trial in Victoria in 2018. PTIF funds will also be applied to fleet purchases, benefiting all BC Transit communities through lowered capital lease fees.

BC Transit will also use PTIF funds to assist in the implementation of new technologies that will make using transit more convenient for its customers. Real-time technology will be implemented in seven communities, allowing customers to use BC Transit's website or their mobile devices to track the location of their bus and when it will arrive or depart their chosen stop. In communities that are

not yet equipped with real-time technology, BC Transit will continue to expand its online Trip Planner based on schedule information.

In preparation for Phase 2 of PTIF, which spans the next ten years, BC Transit is working with its local government partners and the Province to identify and plan for other key projects, such as additional operation and maintenance facilities, exchanges, Park & Rides, rapid transit corridors and future technology enhancements such as mobile fare payments. These investments will be transformative for public transit.

As a public sector organization, BC Transit recognizes and respects the value taxpayers' contributions provide in delivering transit across the province and will continue to coordinate the provision of services that are cost effective, efficient and sustainable.

Performance Plan

There are two categories of performance measures for 2018/19 – 2020/21:

- Transit system performance: the overall health of transit services across the province; and
- Corporate performance: the overall success of BC Transit in providing transit services.

Goal 1: Increased Ridership

BC Transit will increase transit ridership by developing, delivering and continuously improving the transit services which people count on. In 2016/17, BC Transit ridership was just over 52 million passenger trips and is forecast to grow to over 55 million passenger trips over the period of the service plan.

Objective 1.1: Service Effectiveness (Transit System)

BC Transit will optimize the effectiveness of provincial transit service.*

Key Strategies:

- For conventional transit (which serves the general population in more urban settings and offers scheduled service that operates on fixed routes), BC Transit will invest in increased service hours to respond to changes in community growth patterns and customer demand. These investments will support convenient and reliable services and position transit as the travel mode of choice.
- For custom transit (which offers door-to-door service for passengers who are unable to use the conventional transit system), BC Transit will continue to monitor demand for services and ensure services are appropriately matched to demand needs. This also involves the continued implementation of the custom registration program across the province and offering travel training programs as needed.

* While it can be informative to monitor ridership trends, changes in ridership are not substantially attributable to the activities of BC Transit, and can be significantly affected by outside factors, such as weather. Therefore, "passenger trips per service hour" performance measure is used to assess service effectiveness.

Performance Measure(s)	2016/17 Actual	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
1.1a Total passenger trips, including taxi (millions) [1]	52.3	53.3	55.3	55.6	55.8
1.1b Conventional passenger trips per service hour [1, 2]	27.8	27.9	27.6	27.7	27.8
1.1c Custom passenger trips per service hour (excluding taxi) [1, 2]	4.0	3.9	3.9	3.9	3.9

[1] Data Source: BC Transit internal tracking data.
[2] Passenger trips per service hour measures the effectiveness of, and the demand for, transit services as provided and is determined by dividing passenger trips by service hours.

Linking Performance Measures to Objectives:

1.1a Increases in total passenger trips indicate that the development, delivery and improvement of transit service has contributed to increasing ridership.

1.1b Improvements in conventional passenger trips per service hour indicate that the development, delivery and improvement of conventional transit service has resulted in increasing ridership.

1.1c Improvements in custom passenger trips per service hour indicate that the development, delivery and improvement of custom transit service has resulted in increasing ridership.

Discussion

Passenger trips per service hour are expected to decrease in 2018/19 and then increase thereafter for conventional transit and remain relatively flat for custom transit as BC Transit implements service expansion throughout the service planning period. Service expansion takes time to build a ridership base as riders adjust to new services and schedules. As these conventional transit services mature, this metric is expected to increase accordingly in future years. Custom service effectiveness is expected to remain steady for the next three years.

Objective 1.2: Planning and Integration (Corporate)

BC Transit will ensure transit system plans are integrated with community plans and deliver services in the most efficient and effective manner. These planning processes promote compact, sustainable communities that support densification along key transit corridors, as well as ensure existing service levels are delivered in the most efficient and cost-effective manner.

Key Strategies:

- Working with local government partners, BC Transit will conduct transit system optimization reviews regularly to ensure services respond to changing community needs, promote ridership growth and continue to be affordable. Reviews frequently involve community and stakeholder engagement to guide the enhancement process.

Performance Measure(s)	2016/17 Actual	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
1.2 Communities with service optimization review completed in past five years [1]	93%	85%	85%	85%	85%

[1] Data Source: BC Transit internal tracking data.

Linking Performance Measures to Objectives:

1.2 The percentage of communities that have had a service optimization review completed in the past five years measures BC Transit's efforts to provide timely recommendations to increase transit system efficiency and effectiveness. These efforts may include discussion documents, service reviews, action plans, service implementations and evaluations.

Discussion

Planning and integration at BC Transit over the service planning period will be focused on optimization reviews of existing transit service in concert with planning support for significant transit service expansions and implementation. BC Transit is targeting a baseline of 85 per cent of communities to have had an optimization review within a five-year period, reflecting a priority of keeping all transit systems responsive to current needs and conditions while supporting significant expansion for the next three years. BC Transit will continue to work with local government partners to ensure that service optimization reviews are completed in a timely manner and take into account the scope of changes in local and regional transit needs.

Objective 1.3: Service Delivery (Transit System)

BC Transit is a rider-oriented service. Rider satisfaction builds the foundation for strong transit use. BC Transit will continue to improve service delivery in order to retain existing customers and attract new ones.

Key Strategies:

- Through improvements to service delivery, BC Transit aims to improve customers' perceptions of public transit. Improvements to service delivery will include a continued emphasis upon quality customer service including operator courtesy, clean and well-maintained buses and passenger safety.

Performance Measure(s)	2016/17 Actual	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
1.3 Customer satisfaction [1, 2]	3.50	3.65	3.69	3.72	3.73

[1] Data Source: Annual customer survey, conducted by a third party research firm.

[2] Customer Satisfaction is determined by the average rating of customer tracking survey respondents when asked to rate their overall transit experience from one ("very poor") to five ("excellent").

Linking Performance Measures to Objectives:

1.3 Customer Satisfaction measures the effectiveness of BC Transit in meeting customers' expectations and perception of their transit experience. Improvements in customer satisfaction indicate improved transit experience which is a key element in sustaining and increasing ridership. Improved customer services, such as the investment in real time information, will be a key element in the next three years.

Discussion

Targets reflect an expectation that customer satisfaction will continue to improve as efforts continue to enhance customer perceptions of transit service including bus stop amenities, service frequency, ease of connections and service timeliness.

Objective 1.4: Information Effectiveness (Corporate)

BC Transit will enhance online information to meet the evolving expectations of customers, community groups and stakeholders.

Key Strategies:

- BC Transit will build awareness of BC Transit services by enhancing the effectiveness of online information to reach out to customers, community groups and stakeholders in new ways. This includes increasing BC Transit's presence through social media, continuously improving the corporate website, expanding the Trip Planner tool and implementing real-time technology in select communities.

Performance Measure(s)	2016/17 Actual	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
1.4 Online communication strategy effectiveness [1, 2]	3.70	3.85	3.87	3.91	3.91

[1] Data Source: Annual customer survey, conducted by a third party research firm.

[2] Online communication strategy effectiveness is determined by the average rating of customer tracking survey respondents when asked to rate the quality of the online information, ranging from one ("very poor") to five ("excellent").

Linking Performance Measures to Objectives:

1.4 Online communication strategy effectiveness measures customers' perception of BC Transit's ability to provide information through its online presence. Improvements in online communications effectiveness indicate better connections with customers, community groups and stakeholders which are a key element in increasing ridership. This measure tracks the quality, value and effectiveness of information online, including BC Transit's corporate website and social media efforts.

Discussion

Targets reflect that efforts to engage customers through BC Transit's online presence are expected to improve as planned service expansions and new Smart Bus technologies are implemented over the service planning period.

Objective 1.5: Brand Awareness (Corporate)

BC Transit will continue to build awareness of BC Transit's brand and its leadership role in providing sustainable transportation services to British Columbia, a message embedded in all branding activities.

Key Strategies:

- BC Transit will build awareness of BC Transit services through corporate marketing and communication programs highlighting BC Transit's leadership role in providing transit services in local communities across the province. Continued excellence in delivery of transit services remains central in building awareness.

Performance Measure(s)	2016/17 Actual	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
1.5 Brand recognition [1, 2]	53%	53%	54%	55%	56%

[1] Data Source: Annual customer survey, conducted by a third party research firm.
[2] Brand recognition is based on the per cent of customer survey respondents who recognize BC Transit's role in the delivery of transit service in their local system.

Linking Performance Measures to Objectives:

1.5 Improvements in brand recognition indicate improved awareness of BC Transit's role in the delivery of transit service in customers' local community, which is a key element in increasing ridership.

Discussion

Targets reflect the public marketing opportunities over the next three years, particularly community events that communicate service expansions and major infrastructure investment projects, which are expected to improve customer awareness of BC Transit and its role in providing transit services across the province. It should be noted that in 2016/17, BC Transit changed its brand recognition survey methodology, and the impact of these methodological changes on the measurement of performance is being monitored through to the end of fiscal 2017/18 to ensure new benchmark targets are appropriate.

Goal 2: Financial Management

BC Transit will practice sound financial management focused on efforts to contain costs and maximize efficiencies while expanding the contribution of sustainable, non-tax sources of revenue.

Objective 2.1: Increased Revenue (Corporate)

BC Transit will practice sound corporate financial management by improving fare yield and increasing advertising revenue.

Key Strategies:

- BC Transit will increase conventional cost recovery by working with local government partners to maximize revenue yield through passenger fare reviews and advertising revenue, while simultaneously containing operating costs.
- BC Transit will sustain corporate revenue by balancing the affordability of custom transit services for passengers with efforts to reduce custom transit service operating costs.

Performance Measure(s)		2016/17 Actual	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
2.1a	Conventional operating cost recovery [1, 2]	37.4%	36.0%	33.0%	32.3%	31.3%
2.1b	Custom operating cost recovery [1, 2]	9.1%	8.3%	7.8%	7.5%	7.2%

[1] Data Source: BC Transit financial system and audited financial statements.

[2] Operating cost recovery is determined by dividing annual passenger and advertising revenue by operating costs. Revenue forecasts do not assume fare increases as fares are set by Local Government partners. Note custom operating cost recovery includes taxi trip revenues and costs.

Linking Performance Measures to Objectives:

2.1a Conventional operating cost recovery, the proportion of costs recovered from fare and advertising revenue, measures the self-sufficiency and financial performance of conventional transit systems. Improvement in cost recovery reduces the subsidy from the taxpayer.

2.1b Custom operating cost recovery, the proportion of costs recovered from fare and advertising revenue, measures the self-sufficiency and financial performance of the corporate transit system. Improvement in cost recovery reduces the subsidy from the taxpayer.

Discussion

Operating cost recovery targets have been set taking into consideration the need to balance the affordability of transit services for riders with associated operating costs. Conventional and custom revenue yield, as measured by operating cost recovery, is expected to decline slightly over the Service Plan period, though measures above 30 per cent for conventional service continue to benchmark favourably with similar sized transit systems. Inflationary input costs (e.g., fuel, labour, maintenance and technology costs) are expected to be higher than corresponding increases in fares and advertising.

Objective 2.2: Cost Efficiency (Corporate)

BC Transit will practice sound corporate financial management by focusing on corporate cost efficiency.

Key Strategies:

- BC Transit will increase the operating cost efficiency of conventional transit services by implementing initiatives that encourage cost-efficient ridership growth while also employing strategies to contain operating costs associated with fuel, labour, and parts and maintenance.
- Given custom services are typically fully subscribed, BC Transit will increase the operating cost efficiency of custom transit services by focusing on the containment of operating costs associated with fuel, labour, and parts and maintenance.

Performance Measure(s)	2016/17 Actual	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
2.2a Conventional operating cost per passenger trip [1, 2]	$3.79	$3.95	$4.23	$4.32	$4.46
2.2b Custom operating cost per passenger trip [1, 2]	$16.77	$18.47	$19.47	$20.27	$21.14

[1] Data Source: BC Transit financial system and audited financial statements.
[2] Operating cost per passenger trip reflects annual operating cost divided by passengers carried. Note custom operating cost per passenger trip includes taxi trip costs and passengers.

Linking Performance Measures to Objectives:

2.2a Conventional operating cost per passenger trip measures the efficiency of providing conventional transit service.* Increasing cost per passenger trip indicates that costs are growing at a faster rate than ridership.

2.2b Custom operating cost per passenger trip measures the efficiency of providing custom transit service. Increasing cost per passenger trip indicates that costs are growing at a faster rate than ridership combined with longer trip times due to increasing traffic congestion.

Discussion

Operating cost per passenger trip targets have been set to drive the corporation to sustain efforts to increase ridership while containing associated operating costs. Service cost efficiency is expected to decrease slightly over the Service Plan period as inflationary input costs (e.g., fuel, labour, maintenance and technology costs) are expected to be higher than corresponding increases in ridership.

Goal 3: Operational Excellence

BC Transit provides transit service when and where people want it. BC Transit will continue to develop, deliver and improve transit services for conventional passengers and for customers who aren't able to use conventional service. These services will exceed the expectations of our customers while respecting the expectations of taxpayers and community stakeholders.

* A somewhat related measure, cost per service hour, is not used as a performance measure because it varies considerably across BC Transit's different transit systems. For example, in 2018/19, conventional cost per service hour varied from a low of approximately $72 in Youbou to approximately $120 in the Victoria Regional Transit System. Similarly, custom cost per service hour varied from a low of approximately $43 to a high of approximately $160.

Objective 3.1: Accessibility (Transit System)

BC Transit will deliver operational excellence by expanding conventional and custom services in provincial transit systems.

Key Strategies:

- BC Transit will continue to work with local government partners to identify service enhancements, such as frequency improvements or expanded routing to new neighbourhoods, in order to improve conventional transit service accessibility.
- BC Transit will continue to improve custom transit service accessibility by expanding custom transit service.

Performance Measure(s)		2016/17 Actual	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
3.1a	Conventional service hours per capita [1, 2]	1.44	1.46	1.51	1.49	1.48
3.1b	Custom service hours per capita [1, 3]	0.25	0.26	0.27	0.26	0.26

[1] Data Source: BC Transit internal tracking data.
[2] Conventional service hours per capita is determined by the number of conventional service hours delivered divided by the population that lives within 400 m of fixed route bus service.
[3] Custom service hours per capita is determined by the number of custom service hours delivered divided by the population that lives within one kilometre of fixed route bus service (does not include taxi trips).

Linking Performance Measures to Objectives:

3.1a Conventional service hours per capita is a measure of accessibility to transit based on the level of investment and provision of transit service relative to the population within a reasonable walking distance of conventional transit routes. This measure demonstrates how much service is invested in, and provided to, the population that lives within a reasonable proximity of service routes.

3.1b Custom service hours per capita is a measure of accessibility to transit based on the level of investment and provision of transit service relative to the population within a reasonable distance of transit. This measure demonstrates how much service is invested in, and provided to, the population that lives within a reasonable distance of service routes.

Discussion

Targets reflect that conventional and custom service hours per capita are forecast to decrease slightly over the period of the Service Plan as population growth exceeds the rate of service expansion.

Objective 3.2: Safety (Corporate)

BC Transit will deliver operational excellence by ensuring a high-level of passenger and employee safety.

Key Strategies:

- BC Transit will ensure passenger safety by continuously improving the development of on-road safety programs such as enhanced preventative driver training and other similar measures.
- BC Transit will promote a culture of employee safety through the continuous development of workplace safety and awareness programs, training, policies and procedures.

Performance Measure(s)	2016/17 Actual	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
3.2a Passenger injury claims per million passenger trips [1]	1.0	2.0	1.9	1.9	1.8
3.2b Workplace injuries per 100 employees [2]	3.1	5.2	5.1	5.0	4.5

[1] Data Source: Passenger injury claims as reported by ICBC and BC Transit internal tracking data.
[2] Data Source: BC Transit internal tracking data.

Linking Performance Measures to Objectives:

3.2a The number of passenger injury claims per million passenger trips measures passenger safety with respect to travel-related injuries. The way in which this measure is calculated reflects passenger injury claims through ICBC and is consistent with industry standard.

3.2b The number of workplace injuries per 100 employees measures employee safety using the Total Recordable Injury Rate (TRIR). TRIR is a measure of the rate of recordable workplace injuries, normalized per 100 workers per year. This measure is influenced by an aging workforce and the recent addition of mental illness as an approved recordable workplace injury.

Discussion

The passenger injury claims per million passenger trips measure is influenced by increased traffic under conditions of greater and more variable congestion and a trending increase in bodily injury claims. Performance is expected to improve slightly each year as the implementation of closed-circuit television (CCTV) is expected to continue to have an impact on reducing the claims going to ICBC.

The workplace injuries per one hundred employees measure is influenced by an aging workforce and the recent addition of mental illness as an approved category of workplace injury. Performance targets over the service planning period reflect historical experience. Performance is expected to improve over the next three years due to continuing enhanced focus on safety protocols and improved communication of safety initiatives. (While the 2016/17 actual result is attributed to BC Transit's strong Occupational Health and Safety program, targets are based upon the historical trend to account for the impact of the recent addition of mental illness as an approved recordable workplace injury.)

Objective 3.3: Quality of Service (Corporate)

BC Transit will deliver operational excellence by maintaining quality of service.

Key Strategies:

- BC Transit will maintain the quality of conventional transit service by delivering consistent and reliable transit services, through efforts such as managing preventative issues and responding to emerging challenges on the road, while delivering the service that is expected, and relied upon, by customers.

Performance Measure(s)	2016/17 Actual	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
3.3 Planned service delivered in conventional transit systems [1]	99.9%	99.7%	99.7%	99.7%	99.7%

[1] Data Source: BC Transit internal tracking data and reports from BC Transit operating partners.

Linking Performance Measures to Objectives:

3.3 The percentage of planned service delivered in conventional transit systems measures the quality of transit service and is based upon the percentage of trips that are delivered as scheduled. The reliability of trips has an effect on the customer experience and the overall perception of transit and reflects BC Transit's ability to respond to emerging operational challenges while delivering transit services that are expected, and relied upon, by transit customers.

Discussion

The projected targets for this measure represent a baseline of a very high level of reliability, reflecting BC Transit's existing operational excellence. Performance is expected to remain stable at high levels over the period of the Service Plan, and BC Transit will strive to exceed the targets.

Objective 3.4: Environmental Impact (Transit System)

BC Transit will deliver operational excellence by reducing the environmental impact of its provincial transit systems. As part of these efforts, in 2018/19 BC Transit will conduct an electric bus pilot and produce a strategy to continue advancing new technologies and efficiencies within the fleet for further emission reduction. Building on the successful deployment of CNG buses in Nanaimo, Kamloops and Whistler, BC Transit will also continue to identify opportunities to deploy CNG buses and green infrastructure over the service planning period.

Key Strategies:

- BC Transit will be accountable for its environmental impact by reducing its operational carbon intensity, including efforts to reduce reportable emissions related to BC Transit's fleet, facilities and other operations.

Performance Measure(s)	2016/17 Actual	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
3.4 Carbon (GHG) intensity per service hour [1, 2]	28.85	28.83	28.82	28.81	28.80

[1] Data Source: BC Government SMARTTool data and BC Transit internal tracking data.
[2] Carbon intensity is currently calculated using the Provincial Government's SMARTTool methodology—though this methodology will change over the Service Plan period—and is measured by calculating the reportable total emissions of BC Transit's fleet, facilities and paper usage in carbon dioxide equivalent tonnes.

Linking Performance Measures to Objectives:

3.4 Carbon intensity per service hour measures BC Transit's Greenhouse Gas Emissions (GHG) rate.

Discussion

Carbon intensity per service hour targets illustrate BC Transit's continued commitment to decreasing its environmental footprint. GHG emissions are expected to decrease, reflecting the impact of the expected decline in carbon intensity of diesel fuel supplied in B.C. as a result of the Renewable and Low Carbon Fuel Requirements Regulation, and further expansion of BC Transit's CNG bus fleet.

Goal 4: Strong People and Partnerships

BC Transit's service model rests on a foundation of strong partnerships with the provincial and local governments and with contracted service providers. These partnerships are enabled and enriched by a strong relationship with BC Transit's transit operators and other employees who deliver the transit services people count on.

Objective 4.1: Employee Engagement (Corporate)

BC Transit will strengthen its people by improving employee engagement. Employee engagement is essential to nurturing an innovative workforce that allows BC Transit to do its part to build a strong, sustainable economy in British Columbia.

Key Strategies:

- BC Transit will improve employee engagement through continued implementation of its Human Resources Action Plan, including efforts focused on strengthening culture, succession planning, and building internal capacity through professional development opportunities.

Performance Measure(s)	2016/17 Actual	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
4.1 Employee engagement [1]	N/A	67%	N/A	68%	N/A

[1] Data Source: Biennial employee survey. Note the 2015/16 Actual result was 63%.

Linking Performance Measures to Objectives:

4.1 Employee engagement measures an employee's involvement with, commitment to, and satisfaction with work. Engagement is assessed through a survey that models what aspects of the workplace influence employee engagement characteristics. The survey is distributed every two years and is consistent with Provincial Workforce Engagement Survey (WES) standards.

Discussion

Targets reflect an expectation that employee engagement will continue to grow as a result of the Human Resources Action Plan implementation. A link to BC Transit's Human Resources Action Plan is provided in Appendix A.

Objective 4.2: Partner Satisfaction (Corporate)

BC Transit will strengthen its partnerships by improving partner satisfaction.

Key Strategies:

- BC Transit will sustain partner satisfaction by cultivating strong relationships with local governments and other community partners, including efforts to improve service delivery and engaging more extensively with partners in identifying and developing solutions to local transit needs.

Performance Measure(s)	2016/17 Actual	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
4.2 Partner satisfaction [1, 2]	4.31	4.10	4.15	4.17	4.19

[1] Data Source: Annual partner survey, conducted by a third party research organization.
[2] Partnership satisfaction is determined by the average rating of local government transit partner respondents when asked to rate their customer service received from BC Transit from one ("very poor") to five ("excellent").

Linking Performance Measures to Objectives:

4.2 Partnership satisfaction measures local government partners' perception of BC Transit's customer service.

Discussion

Partnership satisfaction scores were the highest yet measured in 2016/17. Partnership satisfaction scores are expected to improve steadily over the service planning period.

Financial Plan

Summary Financial Outlook

($000)	2017/18 Forecast	2018/19 Projection	2019/20 Projection	2020/21 Projection
Total Revenue				
Operations	76,027	77,472	77,882	78,223
Provincial operating	109,434	114,463	114,620	114,620
Local government operating & capital	89,814	114,989	118,773	126,642
Deferred capital contributions[1]	30,607	31,571	36,399	41,832
Investment and other income	3,917	4,033	4,233	4,244
Total Revenue	**309,799**	**342,528**	**351,907**	**365,561**
Total Expenses				
Operations	163,724	184,263	185,194	192,093
Maintenance	54,251	60,543	62,854	65,271
Administration	26,746	29,909	30,865	32,203
Use of asset	65,125	67,813	72,994	75,994
Total Expenses	**309,846**	**342,528**	**351,907**	**365,561**
Annual Operating Surplus (Deficit) [2]	**(47)**	-	-	-
Other non-operational gain (loss)	5,951	-	-	-
Total Annual Surplus (Deficit) [3]	**5,904**	-	-	-
Total Liabilities	**544,560**	**660,575**	**751,544**	**787,122**
Accumulated Surplus	**21,280**	**21,280**	**21,280**	**21,280**
Capital Expenditures	**134,584**	**157,826**	**137,173**	**102,826**

[1] *BC Transit receives capital funding for the construction or acquisition of assets and their use in program/service delivery. Capital contributions are deferred and recognized in revenue over the useful life of the asset, as program/services are delivered, as directed by the Province.*

[2] *The Operating Deficit is in respect to retrospective amortization relating to the PSAS adoption in 2011/12 ($56 in 2016/17).*

3 Gains largely due to grant recognition in year of purchase of land for future transit facilities

Key Forecast Assumptions, Risks and Sensitivities

Forecasts include cost increases associated with approved collective agreements in line with provincially mandated increases, economic stability dividends announced by the Province, inflationary pressures related to maintenance, competitive contract negotiations with operating companies, higher operating costs associated with new facility builds resulting from federal funding programs, new customer focused fleet technology and the price of diesel. These increases are partially offset by the addition of CNG vehicles in 2018/19 and lower benefit costs associated with the announcement of Medical Service Plan (MSP) premiums.

Management's Perspective on the Financial Outlook

Fuel remains a large financial risk to BC Transit services. While the cost of fuel remained below budget in 2017/18, fuel prices increased on average 13 per cent over the last year. BC Transit continues to realize savings from its fuel management and supply contracts yet there remains a great deal of uncertainty over the longer term price of oil and the subsequent effect on fuel costs.

The Canadian exchange rate also poses risk to the budget as a significant portion of bus parts are manufactured in the USA and Europe.

BC Transit Regulation 30/91 was amended in 2015, establishing the legislated authority for BC Transit to carry an operating reserve. This amendment facilitates BC Transit's ability to better manage budget pressures throughout the service planning period.

Appendix A: Hyperlinks to Additional Information

Corporate Governance

More information about BC Transit's Senior Leadership Team can be found at:

http://bctransit.com/*/about/executive

More information about BC Transit's governance and funding model can be found at:

http://bctransit.com/*/about/funding-and-governance

Organizational Overview

More information about BC Transit's vision, mission and values can be found at:

http://bctransit.com/*/about

More information about BC Transit's program scope can be found at:

http://bctransit.com/*/about/facts/corporate

A list of transit systems can be found at:

http://bctransit.com/*/choose-transit-system

BC Transit's corporate reports, including provincial Service Plans and Annual Reports, can be found at:

http://bctransit.com/*/corporate-reports

BC Transit's Human Resources Action Plan can be found at:

https://bctransit.com/*/human-resources-action-plan

Appendix B: Subsidiaries and Operating Segments

BC Transit has no subsidiaries or operating segments.